Projects for which World Bank assistance is secured

598 SRI M. C. BASAPPA (Chamarajanagar).—Will the Minister for Finance be pleased to state :—

(a) the number of Projects for which World Bank assistance has been secured ;

(b) what are the terms and conditions regarding :—

(1) the rate of interest ;

(2) period of repayment at the time of advancing money ;

(c) whether the entire amount sanctioned by the World Bank is passed on to the State ?

SRI S. M. YAHYA (Minister for Finance).—

(a) The number of projects for which the World Bank assistance has been secured is ten.

(b) The loan advanced by World Bank does not carry any interest. Only a service charge of 3/4th of a per cent per annum on the principal amount of credit withdrawn and outstanding from time to time is charged by the World Bank to Government of India. The Government of India in turn charge an interest of 5¼% per annum to the State Government wherever the amount is given as Central Assistance to the Projects implemented by the State Government like Karnataka Irrigation Project. However, in respect of India Population Project which is a part of the Family Welfare Programme, the entire assistance is given in the form of grants.

Further, wherever the credit assistance is routed through ARDC and participating Commercial Banks for projects like the Agricultural Wholesale Markets Project or the Karnataka Dairy Development Project or National Seeds Projects-II the rate of interest varies from 9% to 11% per annum.

The period of repayment varies from project to project. The variation being from 9 years to 50 years.

(c) The entire World Bank credit is passed on to the State in respect of Karnataka Dairy Development Project, Karnataka Agricultural Wholesale Markets Projects, National Seeds Projects and India Population Projects. But in respect of the projects namely Karnataka Irrigation Projects, Agricultural Extension Project, Droughts Prone Area Programme, Bijapur only 70% of th

World Bank credit which is one half (i.e. 50%) of the total pojects cost is passed on to the State by Government of India as additionality to Plan Funds.

In respect of Third Power Transmission and Rural Electrification Projects, no cash flow takes place from Government of India in respect of I.D.A. credit except the normal Central assistance for Centrally Sponsored Schems. The benifit of I.D.A. schems is only in the form of exemption from duties and taxes, which accrue to the State.

Policy of the Government regarding Prohibition

689 SRI G. MADE GOWDA (Kirugavalu)—Will the Minister for La our and Excise be pleased to state :—

what is the Policy of State Government regarding Prohibition ?

SRI R. S. PATIL (Minister for Labour and Excise).—

The introduction of prohibition in the State depends on the financial assistance by Government of India to cover up the loss in revenue consequent to prohibition. At present the Government of India's assurance is only to give assistance to an extent of 50 per cent of loss in revenue. Therefore, considering the problems that would arise in the wake of prohibition such as heavy loss in revenue, limited avenues for fresh taxes, unemployment, difficulties in enforcing 'Prohibition', etc., unless there is assurance from Government of India for cent per cent compensation to cover up the loss in revenue, it is difficult for the State to adopt the policy of complete prohibition.

The objectives of Prohibition could be achieved through persuation, education and voluntary measures and not through statutory rules and regulations. Proper atmosphere will have to be created in the country by taking the message of prohibition personally to every village. Further, the society should get so educated as to look down upon a drunkard. Social valves will have to be changed in this regard. For this purpose, Tempernce Board is activiced.

As preliminary steps towards prohibition, certain measures such as declaration of 1st day of every Calander month as dry day, making liquor costlier, not locating liquor shops near labour colony Scheduled Caste Colony and educational institutions, etc.